Revised re-scheduling of farm loans

3412. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government wants to set up a mechanism for re-scheduling farm loans when a farmer really needs it, rather than one time massive waiver like the recent Rs. 75,000 crore debt relief;

(b) whether independent studies show that many loan defaulters have immensely benefited from the waiver package, while causing resentment among farmers who have been prompt in their loan repayment obligations; and

(c) if so, the details of the revised loan schedule solely meant to help needy farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) No, Sir. However, in order to provide relief to farmers in times of natural calamities, Reserve Bank of India has issued guidelines to banks which, *inter alia,* include conversion of the outstanding into term loans for periods ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops, disbursement of fresh crop loans to the affected farmers, etc.

(b) and (c) No such report has come to the notice of this Department. However, it has been announced in the Union Budget Speech 2009-10 to provide an additional subvention of 1 per cent, over and above the subvention on short term crop loans, as an incentive to those farmers who repay such loans on schedule. Thus, the interest rate for such farmers will come down to 6 per cent per annum on short term crop loans.

New home loans of SBI

3413. MS. SUSHILA TIRIYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that SBI's new home loan do not appear to be an attractive one;

(b) if so, the reasons therefor; and

(c) the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) No, Sir. The new home loan scheme of the State Bank of India (SBI) offers a rate of interest for the first three years ranging between 2% to 1.5% below the Prime Lending Rate of SBI. As a result there has been a spurt in sanction of home loans from 190 loans per day in the first quarter of last year to 350 loans per day in the first quarter of the current year.

(b) and (c) Does not arise.

WPI and CPI based inflation rates

3414. SHRI M. V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

(a) the manner in which his Ministry reconciles the rapidly descending Wholesale Price Index (WPI) and the spiraling Consumer Price Index (CPI) inflation;

(b) whether it is a fact that India has four different CPI inflation rates;

(c) if so, whether out of the four above, only the urban non-manual employees rate has come down and the other three indices have gone up; and

(d) if so, the manner in which his Ministry is planning to rein in the other three rates which are primarily concerning the poor people?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) The decline in inflation in the Wholesale Price Index (WPI) has been partly due to the global deceleration in prices of items like fuels, metals and oilseeds and party due to the base effect of the high crude oil prices in 2008. Despite the fall in overall inflation, inflation in food items and in essential commodities in the WPI continues to remain high. The decline in inflation in the intermediate products included in the WPI are not reflected in the CPIs, but the high inflation in food items are reflected, as the CPIs accord two to three items larger weight to food compared to the WPI.

(b) and (c) Instead of an aggregate Consumer Price Index (CPI), India has four sectional CPIs, namely, CPI for industrial workers (CPI-IW), CPI for agricultural labour (CPI-AL), CPI for urban non-manual employees (CPI-UNME) and CPI for rural labour CPI-RL). The CPIs are released on a monthly basis while WPI is released every week. All the CPIs recorded a fall in inflation in March, 2009. The inflation measured by different price indices are given in table below:—

Table: Inflation for price indices (per cent)

Year/month	WPI	CPI-IW	CPI-UNME	CPI-AL	CPI-RL
Aug.-08	12.82	9.02	8.54	10.29	10.29
Sep.-08	12.27	9.77	9.50	10.98	10.98
Oct.-08	11.06	10.45	10.38	11.14	11.14
Nov.-08	8.48	10.45	10.79	11.11	11.11
Dec.-08	6.19	9.70	9.85	11.14	11.14
Jan.-09	4.90	10.45	10.38	11.62	11.35
Feb.-09	3.50	9.63	9.94	10.79	10.79
Mar.-09	1.20	8.03	9.28	9.46	9.69
Apr.-09	1.31	8.70	8.77	9.09	9.09
May-09 (P)	0.43	8.63	9.68	10.21	10.21
Jun-09 (P)	-1.39	9.29	—	11.52	11.26

(d) The Government monitors the price situation regularly, with price stability being high on its agenda. Measures taken to contain prices of essential commodities include selective ban or exports and futures trading in food grains, zero import duty on select food items, permitting imports of pulses and sugar by public sector undertakings, Distribution of imported pulses and edible oils through the PDS and release of higher quota of non-levy sugar. In addition, the State Governments have been empowered to act against hoarders of food items by keeping in abeyance the removal of restrictions on licensing, stock limits and movements of food articles under the Essential Commodities Act of 1955.

Direct tax arrears

3415. SHRI RAMDAS AGARWAL:
SHRI DARA SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government's direct tax arrears including income and corporate tax reportedly stood at over Rs. 21 lakh crore at end of May, 2009;

(b) if so, the percentage of total amount collected during each of the last two years, till-date, of both direct and indirect taxes, Chief Commissionerate-wise;

(c) what steps Government is planning to settle disputes in time bound manner so that delaying tactics by assessees are avoided and recoveries are made quickly; and

(d) the details of those companies/individuals whose demand for arrear is more than Rs. One crore and above?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Does not arise in view of (a).

(c) In the Finance Bill 2009-10 an alternate dispute settlement mechanism has been introduced for expediting the recovery of income tax on a fast track basis which is applicable to foreign companies and to any person whose case is processed under the transfer pricing regulations. Apart from the statutory steps being taken for recovery of outstanding tax dues as prescribed under the Income tax Act (including attachment of bank account and debtors, attachment and sale of immovable property, etc.), the following special measures are also being taken to expedite recovery of default amount:

I. Monitoring of recovery of amount in large cases by a Task force. Invariably arrear demand above Rs. 25 crore is monitored by CBDT and between 10 crore and 25 crore is monitored by CBDT and between 10 crore and 25 crore by CCIT concerned/DIT (Recovery).

II. Identification of cases involving substantial amount pending before CITs (Appeals) and ITAT and requesting these authorities to dispose off such appeals early so that the amount can be collected during current financial year itself.

III. Requesting Settlement Commission to dispose of high demand cases expeditiously.